



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
FINANCIAL MANAGEMENT AND COMPTROLLER
109 ARMY PENTAGON
WASHINGTON DC 20310-0109
July 30, 2003



MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Management Control Evaluation Checklist for the Army Travel Charge Card Program

References:

- a. General Accounting Office Report (GAO-03-169), TRAVEL CARDS: Control Weaknesses Leave Army Vulnerable to Potential Fraud and Abuse, October 11, 2002.
- b. Secretary of the Army memorandum, January 28, 2003, subject: Policies, Procedures and Responsibilities for the Army Travel Charge Card Program.
- c. Assistant Secretary of the Army (Financial Management and Comptroller) memorandum, February 21, 2003, subject: Army Charge Card Programs.

The Army Travel Charge Card Program was the subject of a GAO audit report (reference a) and the focus of a congressional hearing in July 2002. In response to problems identified in this report and hearing, Army leadership issued guidance to strengthen management controls for this program (references b and c).

This memorandum provides an updated management control checklist for the Army Travel Charge Card Program. Based on references b and c, this checklist adds several new key management controls that must be evaluated in accordance with AR 11-2, Management Control. This checklist has been posted to both our travel card website (<http://www.asafm.army.mil/fo/fod/tc/pg/pg.asp>) and our management control website (<http://www.asafm.army.mil/fo/fod/mc/amcec/amcec.asp>). It has also been distributed by email to your travel card coordinators and management control administrators.

Questions on this action should be addressed to Mr. Francis Rago, the Army Travel Card Program Manager, by phone at (703) 693-3386 (DSN 223-3386) or by email at Francis.Rago@HQDA.Army.Mil.

William M. Landrum III
Colonel, Finance Corps
Acting Deputy Assistant Secretary of
the Army (Financial Operations)

Attachment

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CF:

US ARMY AUDIT AGENCY (ATTN: MS. ANITA BALES)

Management Control Evaluation Checklist – Army Travel Charge Card Program

1. Function

The function covered by this checklist is the administration / management of the Army's Travel Charge Card Program.

2. Purpose

The purpose of this checklist is to assist Commanders, Managers and Agency Program Coordinators (APCs) in evaluating the key management controls outlined below. It is not intended to cover all controls.

3. Instructions

Answers should be based on the actual testing of key management controls (e. g., document analysis, direct observation, sampling, simulation, other). Answers that indicate deficiencies should be explained and corrective action indicated in supporting documentation. Certification that this evaluation has been conducted should be accomplished on DA Form 11-2-R (Management Control Evaluation Certification Statement).

4. Test Questions

- a. Are APCs fully trained to perform their tasks, to included proficiency in the use of Electronic Account Government Ledger System (EAGLS) and it's various reports, in order to effectively manage the program and monitor card use? (All APCs)
- b. Does the APC ensure that travel card applications are accurate and complete and that a copy of each application is retained on file? (All APCs)
- c. Does the APC ensure that the DOD Statement of Understanding is accurate and complete, that it is signed and initialed by the cardholder, and that a copy of each statement is retained on file? (All APCs)
- d. Does the APC ensure that cardholders are provided initial training on proper use of the travel card at card issuance and refresher training at least annually thereafter? (All APCs)
- e. Does the APC adjust ATM cash / credit limits, where warranted, to reduce the risk of delinquency and cardholder misuse? (All APCs)
- f. Does the APC use EAGLS exception reports to detect inappropriate / unauthorized ATM cash withdrawals and incidents of non-sufficient fund (NSF) checks? Does the APC notify the cardholder's supervisor in a timely manner of suspected inappropriate /

unauthorized ATM cash withdrawals and NSF checks, and retain documentation of that notification? (All APCs)

g. Does the APC use the EAGLS transaction activity and exception reports to review, on a monthly basis, at least 10 percent of accounts with activity to detect inappropriate / unauthorized charges? Does the APC notify the cardholder's supervisor in a timely manner of suspected inappropriate / unauthorized charges, and retain documentation of that notification? (All APCs)

h. Are procedures in place and used to ensure that cardholders in / out-process with the gaining / losing APC? Does the APC ensure that accounts are cancelled and travel cards recovered for individuals separating or terminating employment with the DoD? (All APCs)

5. Supersession

This checklist supersedes the checklist issued June 6, 2002.

6. Comments

Help to make this a better tool for evaluating management controls. Submit comments via the Travel Charge Card Contact Us Form.